

**ECONOMIC DEVELOPMENT AGENCY
SUMMARY**

<u>GENERAL FUND</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Local Cost</u>
ECONOMIC DEVELOPMENT	94	6,580,611	80,000	6,500,611
TOTAL GENERAL FUND		<u>6,580,611</u>	<u>80,000</u>	<u>6,500,611</u>

<u>SPECIAL REVENUE FUNDS</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Fund Balance</u>
SAN BERNARDINO VALLEY ENTERPRISE ZONE	99	466,015	101,891	364,124
COMMUNITY DEVELOPMENT AND HOUSING	101	48,414,008	33,447,531	14,966,477
WORKFORCE DEVELOPMENT	106	12,529,260	12,529,260	-
TOTAL SPECIAL REVENUE		<u>61,409,283</u>	<u>46,078,682</u>	<u>15,330,601</u>



ECONOMIC DEVELOPMENT AGENCY

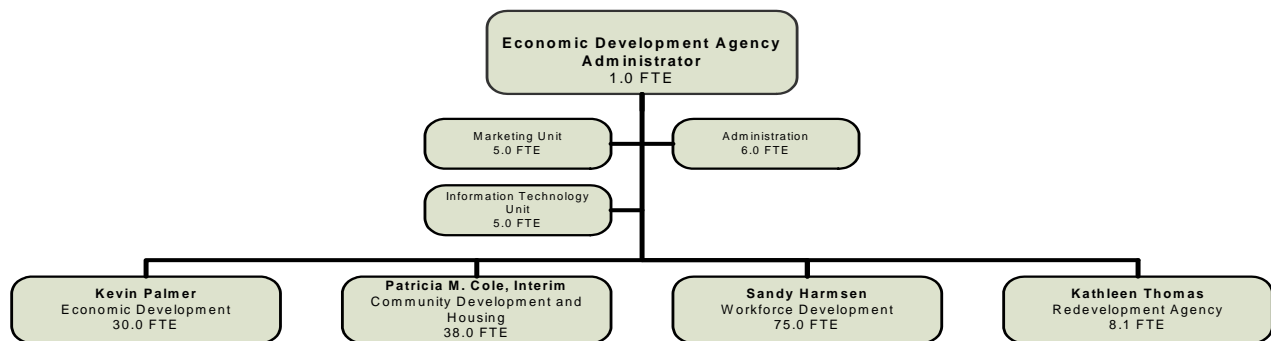
MISSION STATEMENT

As civic entrepreneurs, the Economic Development Agency serves existing and future residents, business/community leaders and visitors. The Agency facilitates economic growth through the development and implementation of strategic policies to enhance human and capital infrastructure which leads to a dynamic globally engaged economy.

STRATEGIC GOALS

1. Implement a comprehensive marketing strategy which includes a component for each department.
2. Implement an agency-wide information technology infrastructure to support agency/departmental information technology initiatives.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2008-09				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	6,580,611	80,000	6,500,611		47.0
Total General Fund	6,580,611	80,000	6,500,611		47.0
Special Revenue Funds					
Community Development and Housing	48,414,008	33,447,531		14,966,477	38.0
Workforce Development	12,529,260	12,529,260		-	75.0
San Bernardino Valley Enterprise Zone	466,015	101,891		364,124	-
Total Special Revenue Funds	61,409,283	46,078,682		15,330,601	113.0
Other Agencies					
Economic and Community Development Corp	368	-		368	-
County Industrial Development Authority	37,996	1,000		36,996	-
Redevelopment					
Speedway Project Area	60,153,467	14,024,567		46,128,900	8.1
Cedar Glen Project Area	10,404,562	836,460		9,568,102	-
VVEDA Project Area	1,400,576	256,105		1,144,471	-
Mission Boulevard Joint Project Area	149,843	24,570		125,273	-
Total Other Agencies	72,146,812	15,142,702		57,004,110	8.1
Total - All Funds	140,136,706	61,301,384	6,500,611	72,334,711	168.1



The Economic Development Agency provides overall administrative support and policy implementation to four departments. This includes the facilitation of communication between the County Administrative Office as well as the Board of Supervisors. In addition, the agency oversees the information technology function and public relations and marketing support.

Through the combination of four departments with common goals and objectives, the agency provides leadership and direction to all 24 cities and private economic development organizations within the county.

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

NOTE: The “Other Agencies” budgets are reported in a separate document. The budget for the Economic Development Agency is incorporated within the Department of Economic Development’s budget.

ECONOMIC DEVELOPMENT

Kevin Palmer

MISSION STATEMENT

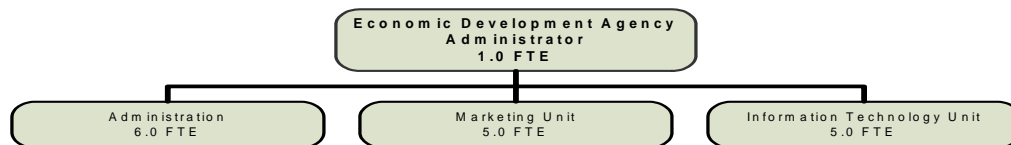
The Economic Development Department fosters sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will create strategic partnerships with public and private entities to enhance global competitiveness and entrepreneurial development.

STRATEGIC GOALS

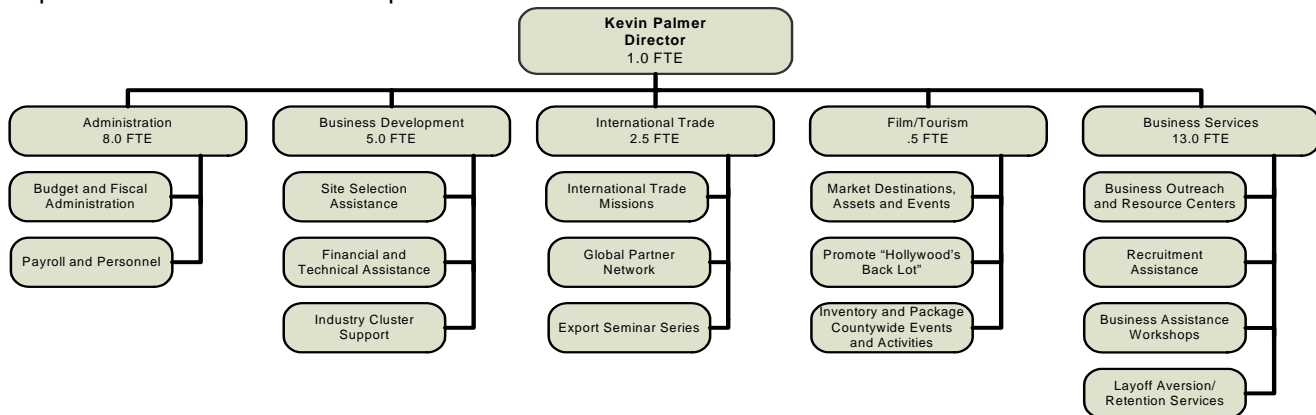
1. Foster job creation, increase private investment and enhance county revenues through the attraction and retention of business.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to development overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position as a tourist destination and promote the county as a viable location to make films through branding and marketing.

ORGANIZATIONAL CHART

Economic Development Agency:



Department of Economic Development:



SUMMARY OF BUDGET UNITS

2008-09					
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	6,580,611	80,000	6,500,611		47.0
Total General Fund	6,580,611	80,000	6,500,611		47.0
Special Revenue Funds					
San Bernardino Valley Enterprise Zone	466,015	101,891		364,124	-
Total Special Revenue Funds	466,015	101,891		364,124	-
Total - All Funds	7,046,626	181,891	6,500,611	364,124	47.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history, applicable performance measures and policy item requests.

DESCRIPTION OF MAJOR SERVICES

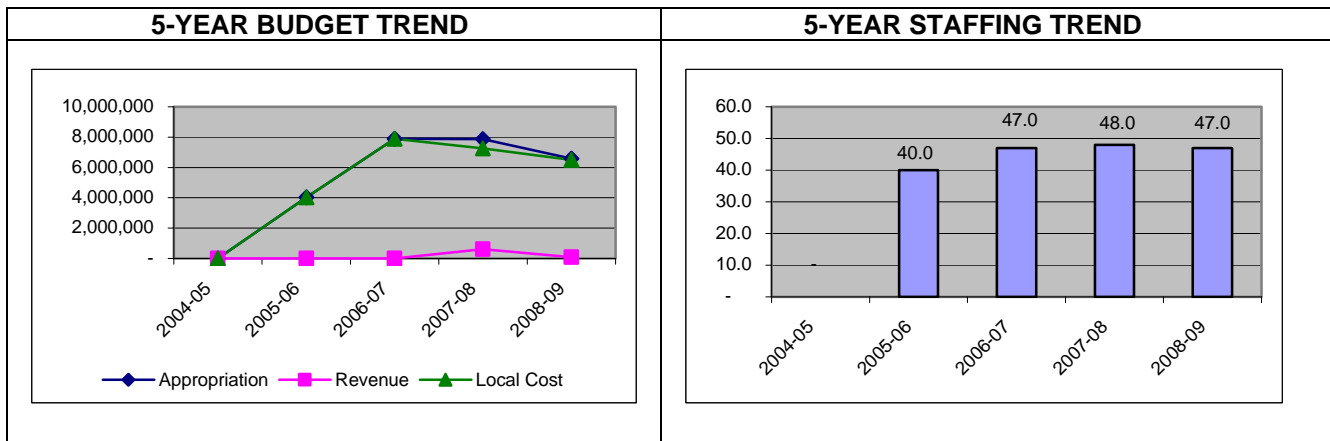
The Department of Economic Development's major goal is to foster job creation, increase private investment and enhance county revenues through the implementation of a countywide economic development strategy. The strategy focuses on maximizing the standard of living of the county's residents, providing economic opportunities for the county's businesses, fostering a competitive environment and positioning the county as a highly competitive region for business opportunities. The strategy will emphasize industry sectors with high-growth potential and offering high paying jobs.

The department spearheads initiatives with local, national and international impact by forming internal and external strategic partnerships with key public and private sector organizations including, but not limited to, the State of California, San Bernardino County cities, the County of Riverside, as well as non-profit development corporations, developers, brokers, site selectors, corporate real estate executives and tenant representatives. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign.

The department also creates and develops necessary support structures to foster a positive, creative and expanding business climate by offering a wide array of economic development programs and services including the following:

- Site Selection Assistance
- Market Analysis and Demographics
- Permitting Assistance
- International Trade Services
- ED Loan Programs
- Enterprise Zone and Program Management
- Small Business Assistance and Technical Support
- Technical assistance and marketing support to county, cities and economic development stakeholders.

BUDGET HISTORY



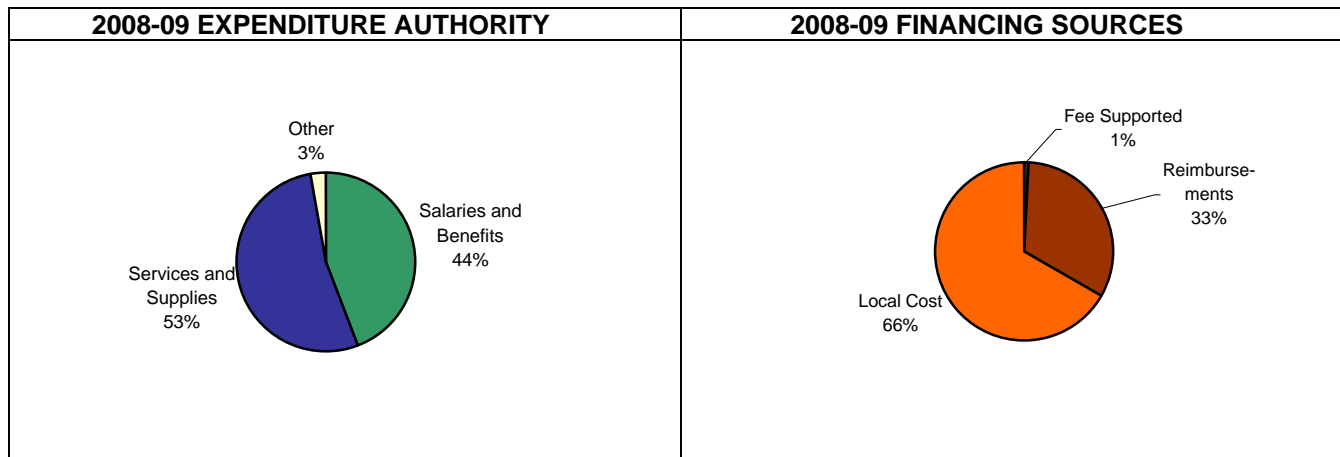
The Department of Economic Development was created as a result of the Board of Supervisor's (Board) approved formation of the Economic Development Agency on May 3, 2005 (Item No. 90). As part of the 2006-07 Budget, the Board approved the carry over of unexpended 2005-06 one-time funding totaling \$1,118,500. In addition, the Board approved approximately \$4.1 million in additional funding (2.0 million one-time funding and \$2.1 million ongoing funding) in order to support an enhanced economic development program. The decrease in local cost in 2008-09 is related to the elimination of one-time funding.

PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	-	3,112,150	7,084,529	8,356,652	8,051,350
Departmental Revenue	-	43,634	357,883	604,000	720,400
Local Cost	-	3,068,516	6,726,646	7,752,652	7,330,950
Budgeted Staffing				48.0	

Appropriation is lower than modified budget due to salaries savings related to delays in hiring positions.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
 DEPARTMENT: Economic Development
 FUND: General

BUDGET UNIT: AAA EDF
 FUNCTION: Public Assistance
 ACTIVITY: Other Assistance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Salaries and Benefits	-	2,172,363	3,107,617	3,455,000	4,316,484	4,320,477	3,993
Services and Supplies	-	2,267,354	6,018,225	7,552,553	6,964,637	4,905,182	(2,059,455)
Central Computer	-	2,342	24,961	46,981	46,981	48,694	1,713
Travel	-	-	-	-	-	228,600	228,600
Equipment	-	39,110	107,737	-	-	-	-
Transfers	-	143,961	226,483	228,556	257,317	264,929	7,612
Total Exp Authority	-	4,625,130	9,485,023	11,283,090	11,585,419	9,767,882	(1,817,537)
Reimbursements	-	(1,542,435)	(2,400,494)	(3,231,740)	(3,718,767)	(3,187,271)	531,496
Total Appropriation	-	3,082,695	7,084,529	8,051,350	7,866,652	6,580,611	(1,286,041)
Operating Transfers Out	-	29,455	-	-	-	-	-
Total Requirements	-	3,112,150	7,084,529	8,051,350	7,866,652	6,580,611	(1,286,041)
Departmental Revenue							
Current Services	-	-	49,549	75,000	50,000	75,000	25,000
Other Revenue	-	43,634	11,334	95,400	4,000	5,000	1,000
Total Revenue	-	43,634	60,883	170,400	54,000	80,000	26,000
Operating Transfers In	-	-	297,000	550,000	550,000	-	(550,000)
Total Financing Sources	-	43,634	357,883	720,400	604,000	80,000	(524,000)
Local Cost	-	3,068,516	6,726,646	7,330,950	7,262,652	6,500,611	(762,041)
Budgeted Staffing					48.0	47.0	(1.0)

Salaries and benefits of \$4,320,477 fund 47.0 budgeted positions and are increasing by \$3,993. Budgeted positions decreased as a result of the deletion of 4.0 Employment Services Specialists positions due to the diminishing resources available from the State to the Workforce Development Department (WDD) for services the Department of Economic Development provides. In addition, the department is requesting the addition of 1.0 Economic Development Assistant Administrator and four (2.0 FTEs) part-time student interns. This resulted in a net decrease of 1.0 budgeted position.

Furthermore, the department is also requesting the reclassification of four positions: a Secretary I (range 35) to an Executive Secretary II (range 45); an Education Specialist (range 45) to an ECD Specialist I (range 59); Automated System Analyst I (range 53) to Business Systems Analyst I (range 57); and a ECD Specialist II (range 61) to an Economic Development Communications Officer (range 61) to correctly define the job descriptions for the duties of these positions. These reclassifications are anticipated to cost \$49,190.



Services and supplies of \$4,905,182 include costs for sponsorships and real estate related trade shows, advertising, special events, public relations, international trade, film and tourism, and economic and real estate related studies. The decrease of \$2,059,455 is primarily due to the elimination of one-time funding of \$1,302,000 related to the 4th District Special Economic Development Project, the 1st District Community Projects and the High Desert Business/Employment Resource Center. Advertising and sponsorships decreased by \$528,855 to primarily absorb the reduction in reimbursements due to administrative costs being overestimated in 2007-08. In addition, travel costs of \$228,600 were moved into a new appropriation unit.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$228,600 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Transfers of \$264,929 generally relate to rent charges paid to the Department of Workforce Development (WDD) for the department offices on 215 N. "D" street and the West Valley Business Resource Center.

Reimbursements of \$3,187,271 represent payments from other departments primarily for business services provided by the department to WDD and administrative activities provided by the Economic Development Agency. Reimbursements decreased by \$531,496 due to the reduction in available funding for business services in the amount of \$266,156 and a decrease of \$265,340 for administrative costs.

Departmental revenue of \$ 80,000 decreased by \$524,000 primarily related to the elimination of one-time funding of \$550,000 from the Department of Public Works for the 4th District Special Economic Development Project.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Estimated	2008-09 Projected
Percentage increase of businesses served through referrals, seminars attendance, site selection assistance, and small business assistance (3,273 businesses).	N/A	New	7%	5%
Percentage of completed loan applications processed from submittal to close of escrow within 10 weeks.*	N/A	80%	N/A	N/A
Percentage increase of number of job opportunities identified through the assistance of the business retention division. The data is provided by WDD and TAD (24,103 jobs in 2006-07).	0%	5%	5%	5%
Percentage increase of leads/inquiries by businesses about locating in the county (205 in 2006-07).	N/A	20%	30%	30%
Percentage increase of on-the-job training contracts (17 in 2006-07).	N/A	40%	40%	5%
Percentage of global business partners established and actively engaged with the County of San Bernardino (20 in 2006-07).	N/A	New	100%	100%
Percentage of individuals that are provided with customized international training services (60 in 2006-07).	N/A	New	477%	16%
Number of business delegates participating in trade missions led by the department.	N/A	New	20	40
Percentage increase of editorials/articles (58 editorials/articles in 2006-07).	123%	25%	40%	25%
Percentage increase of television, radio, podcast and production coverage (9 broadcasts in 2006-07).	200%	25%	25%	25%
Percentage increase of conferences sponsored (15 conferences in 2006-07).	275%	25%	6%	6%
Percentage increase of website hits (amended).**	N/A	N/A	N/A	30%
Percentage increase of companies assisted (3,500 companies in 2006-07).	N/A	5%	10%	5%
Percentage that the High Desert Employment and Business Resource Center is operational.	N/A	100%	10%	25%
Percentage increase of businesses served by the High Desert Employment and Business Resource Center.***	N/A	30%	0%	30%
Percentage increase in the creation of reports and maps to be used for business attraction and retention.****	N/A	10%	N/A	N/A
Percentage increase of vouchers issued in the San Bernardino Valley Enterprise Zone (2,400 businesses within the SBVEZ).	N/A	N/A	N/A	25%

* As of July 1, 2007, the loan program has been officially placed on hold to review, update and modify the program; therefore, there are no numbers to report. Once the program is modified and re-activated, a new baseline will be established.

** This measurement was revised to include all department website hits in an effort to better reflect overall marketing efforts. A new software program has been purchased to analyze and calculate reports for the website and will assist in establishing a baseline.

*** This policy consists of one-time funding and ongoing funds for the operation of the High Desert Employment and Business Resource Center. ED staff is currently analyzing and developing project alternatives and will be making specific recommendations to the 1st District Supervisor's Office for expenditure of these funds based on business needs in the region.

**** The decision to fill the proposed Geographic Information Systems Technician II position was placed on hold at the request of LAFCO who was funding 50% of the position. This request to postpone the recruitment was due to LAFCO's need to complete certain projects in the pipeline first and the fact that there was a lack of qualified candidates for the job. New measurements will be established if and when this position is filled.



San Bernardino Valley Enterprise Zone

DESCRIPTION OF MAJOR SERVICES

On August 22, 2006 (Item No. 50), the Board of Supervisors approved a Memorandum of Understanding with the City of Colton, City of San Bernardino, and the Inland Valley Development Agency (IVDA) to fund, manage and describe the jurisdictional responsibilities of the San Bernardino Valley Enterprise Zone (SBVEZ). The SBVEZ is a state designated geographical area that offers local businesses state tax incentives in order to stimulate economic growth in the economically distressed areas of the City of Colton, City of San Bernardino, and the county. The SBVEZ facilitates economic growth through assistance to local businesses, jurisdictional leadership, public/private collaborations, attraction of new investment, the retention/expansion of existing businesses, and the employment of the most difficult-to-hire workers into private sector jobs. The SBVEZ application was submitted to the California Department of Housing and Community Development and it is expected to be approved by June 30, 2008.

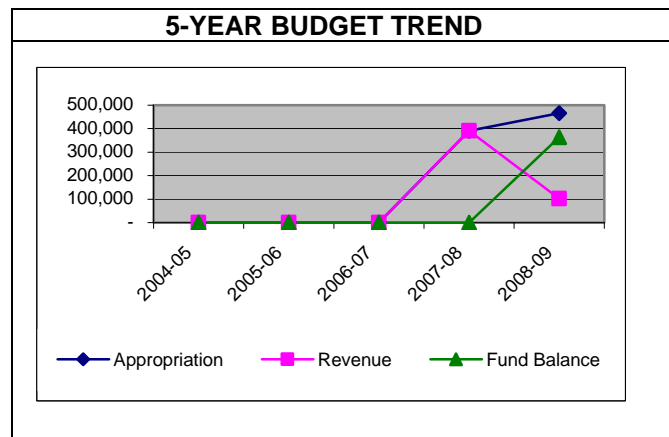
Major services offered to SBVEZ businesses include the following:

- Educational workshops for businesses to understand how they can take advantage of state tax credits.
- Employment and training assistance for Zone businesses.
- Assistance in accessing and procuring state contracts.
- Process employment vouchers to allow businesses that hire qualified individuals to receive state's hiring tax credits.
- Site selection assistance for new and expanding businesses.
- Permitting assistance for new and expanding businesses.

The services are offered through the Department of Economic Development and in collaboration with the cities of Colton and San Bernardino and IVDA.

There is no staffing associated with this budget unit.

BUDGET HISTORY

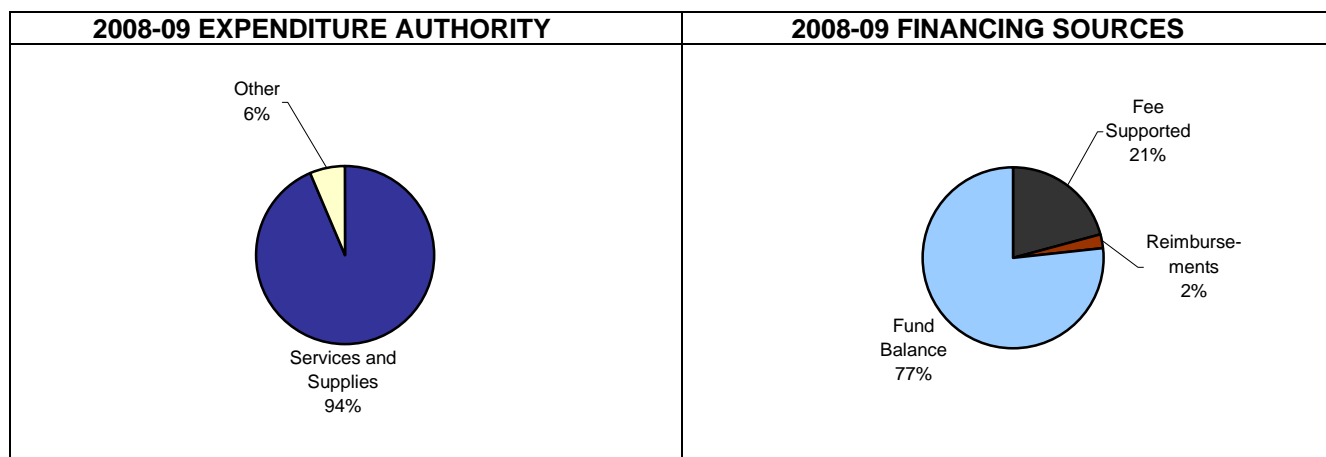


PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	-	-	-	391,412	31,512
Departmental Revenue	-	-	-	391,412	395,636
Fund Balance	-	-	-	-	-

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Appropriation is significant lower than modified budget as the department is awaiting final zone designation. The amount not expended is carried over to the subsequent year's budget. Upon final adoption of the SBVEZ by the State, the SBVEZ board will be meeting to review the overall marketing, administration, and program budget for 2008-09.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
 DEPARTMENT: Economic Development
 FUND: San Bernardino Valley Enterprise Zone

BUDGET UNIT: SYZ EDF
 FUNCTION: Public Assistance
 ACTIVITY: Other Assistance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Services and Supplies	-	-	-	38,600	398,500	447,015	48,515
Transfers	-	-	-	30,000	30,000	30,000	-
Total Exp Authority	-	-	-	68,600	428,500	477,015	48,515
Reimbursements	-	-	-	(37,088)	(37,088)	(11,000)	26,088
Total Appropriation	-	-	-	31,512	391,412	466,015	74,603
Departmental Revenue							
Use Of Money and Prop	-	-	-	3,254	-	2,554	2,554
Current Services	-	-	-	391,412	391,412	99,337	(292,075)
Other Revenue	-	-	-	970	-	-	-
Total Revenue	-	-	-	395,636	391,412	101,891	(289,521)
Fund Balance					-	364,124	364,124

Services and supplies of \$447,015 represent costs for marketing, professional services, professional memberships, trade show attendance, advertising, auditing, County Counsel services, and mapping.

Transfers of \$30,000 represent the cost for the SBVEZ Manager incurred by the Department of Economic Development.

Each partner in the SBVEZ has been authorized by its legislative body to contribute funds to cover the administrative costs of the Enterprise Zone. Partner amounts are based on a fair share percentage of area within the SBVEZ that is covered by that jurisdiction. The county's portion of administrative costs for the 2008-09 budget is \$11,000 and shown as a reimbursement.

Departmental revenue of \$101,891 represents amounts to be received from the City of Colton, the City of San Bernardino, and IVDA to cover administrative costs. The reduction of \$289,521 represents funding for start up costs of the program received in 2007-08.



COMMUNITY DEVELOPMENT AND HOUSING

Patricia M. Cole

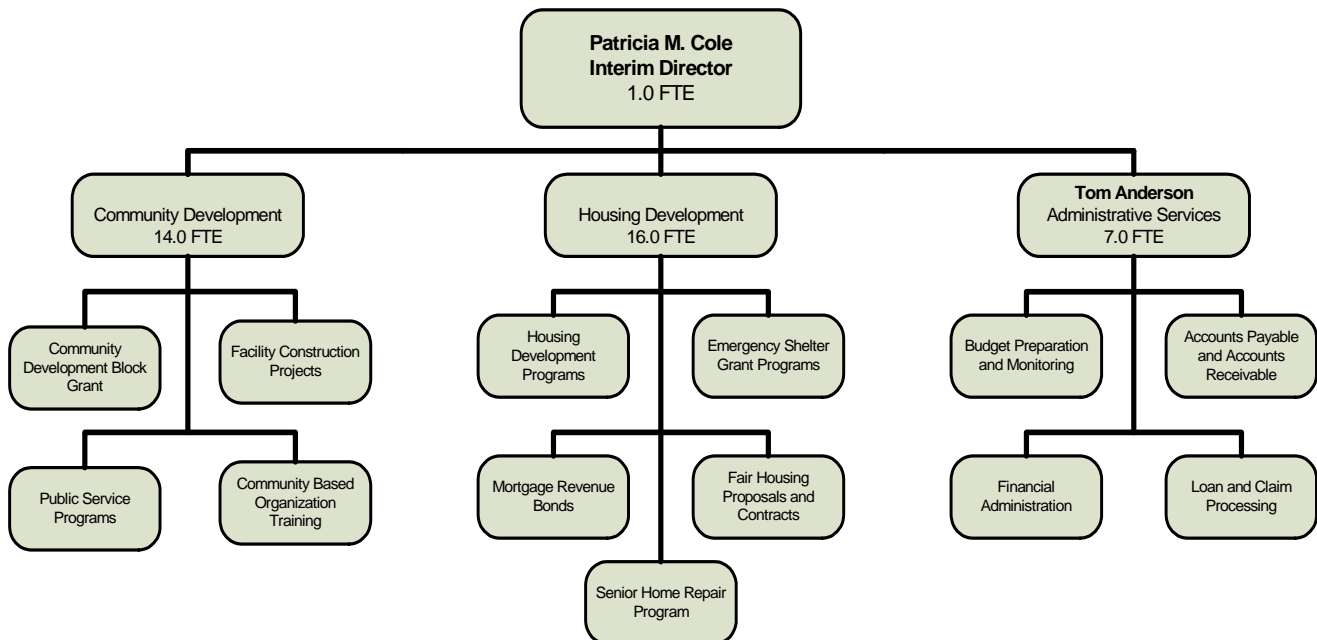
MISSION STATEMENT

Community Development and Housing Department is a diverse team that utilizes experience and knowledge to achieve a better quality of life for county residents by providing quality programs and services. In addition, the department is a good steward of the Public Trust, effectively and efficiently delivering community development and housing program resources.

STRATEGIC GOALS

1. Develop and coordinate the consolidated plan process for obtaining the Home Investment Partnership Act (HOME), the Emergency Shelter Grant (ESG), and the Community Development Block Grant (CDBG) entitlement formula grants.
2. Sub-grant CDBG and ESG funds to county departments, cooperating cities and non-profit agencies for programs and projects benefitting low-and moderate-income persons.
3. Prepare an annual performance report covering the consolidated plan grant programs for submittal to the Department of Housing and Urban Development (HUD).
4. Communicate useful and timely information to other agencies and to the general public to inform them about grant and loan resources available to meet community and housing needs.
5. Implement affordable housing programs for construction of new housing and rehabilitation of existing housing, and provision of emergency shelter for homeless persons.

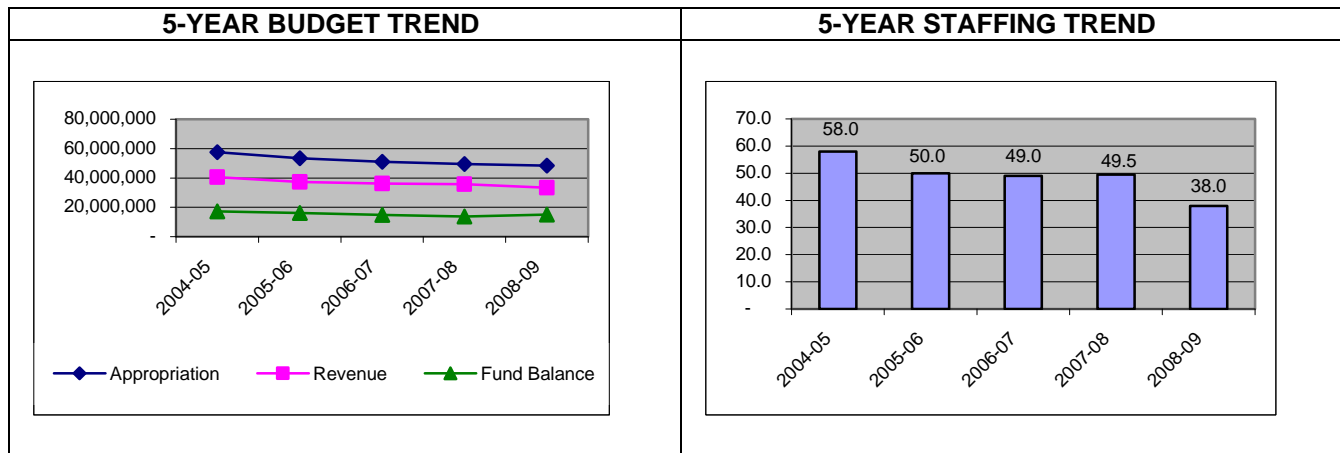
ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The Department of Community Development and Housing (CDH) is responsible for administering federal, state, and local grant funds allocated to the County of San Bernardino for housing and community development programs. Federal funds comprise a large percentage of the total monies included in the Department's budget through the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), the Home Investment Partnership Act Grant (HOME), the Neighborhood Initiative Grant (NI), the Disaster Recovery Grant (DRI), and the Economic Development Initiative Program Grant (EDI). The funding for the NI and EDI grants has diminished and Fiscal Year 2008-09 will be the last year the Department will be able to provide services under these two grants. Also, the DRI grant funding ends in April of 2009.

BUDGET HISTORY



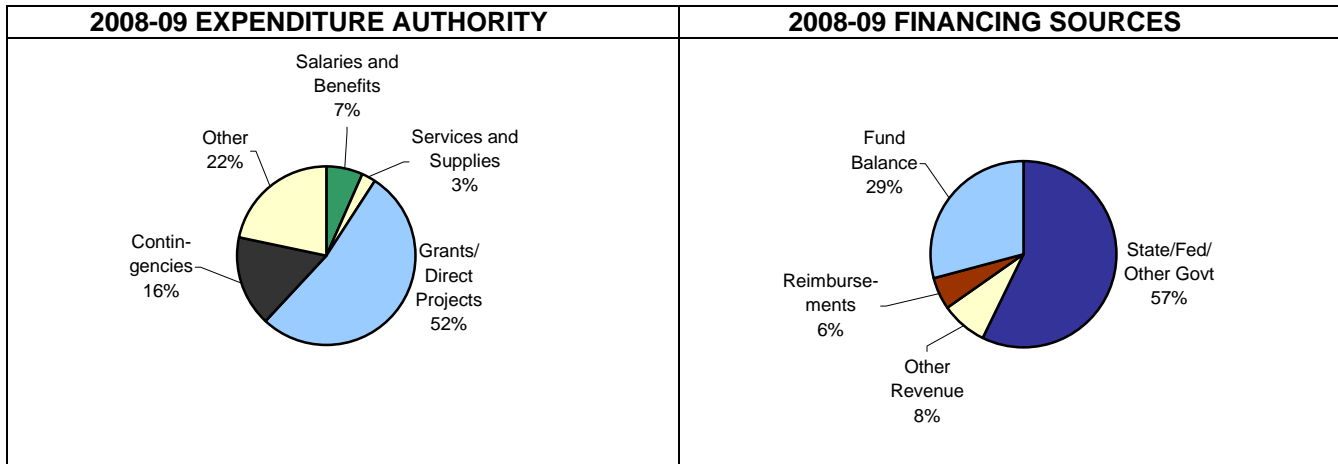
PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	24,335,828	24,763,111	25,635,360	49,461,751	17,170,715
Departmental Revenue	22,338,903	23,440,212	22,825,734	35,761,315	18,436,756
Fund Balance				13,700,436	
Budgeted Staffing				49.5	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in this fund are typically less than budget. Most of CDH's revenue is from federally funded grants that are for longer than one year, thus revenue is under realized for each individual fiscal year, but totally realized over the period of the grants. The unexpected and unrealized amounts in 2007-08 have been carried over to the subsequent year's budget.

The performance history for the CDH budget represents a decrease in actual funding over the past 4 years. This is a result of the decrease in grant funding over the years in the CDBG, HOME, and ESG grants that make up the biggest part of the budget. This reduction in grant funding reduces the amount of revenue received by the department.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
 DEPARTMENT: Community Development and Housing
 FUND: Community Development and Housing

BUDGET UNIT: ECD Consolidated
 FUNCTION: Public Assistance
 ACTIVITY: Other Assistance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Salaries and Benefits	3,780,253	3,634,300	3,441,243	3,115,125	4,233,661	3,393,694	(839,967)
Services and Supplies	1,408,385	1,444,425	1,578,342	877,656	5,314,939	1,238,186	(4,076,753)
Grants/Direct Projects	15,561,680	16,579,071	13,980,687	9,580,000	22,059,600	27,032,594	4,972,994
Central Computer	45,171	49,817	54,454	47,077	56,934	50,417	(6,517)
Travel	-	-	-	-	-	29,000	29,000
Other Charges	-	-	-	-	-	20,000	20,000
Equipment	-	39,463	24,972	-	-	-	-
L/P Struct/Equip/Vehicles	-	-	-	-	-	52,000	52,000
Transfers	5,187,319	5,306,274	6,148,674	5,750,557	12,010,240	10,680,605	(1,329,635)
Contingencies	-	-	-	-	7,986,699	8,394,120	407,421
Total Exp Authority	25,982,808	27,053,350	25,228,372	19,370,415	51,662,073	50,890,616	(771,457)
Reimbursements	(3,080,866)	(3,484,053)	(3,311,338)	(2,699,700)	(3,964,701)	(2,908,700)	1,056,001
Total Appropriation	22,901,942	23,569,297	21,917,034	16,670,715	47,697,372	47,981,916	284,544
Operating Transfers Out	1,433,886	1,193,814	3,718,326	500,000	1,764,379	432,092	(1,332,287)
Total Requirements	24,335,828	24,763,111	25,635,360	17,170,715	49,461,751	48,414,008	(1,047,743)
Departmental Revenue							
Taxes	88,230	32,482	85,638	53,000	40,000	40,000	-
Fines and Forfeitures	4,060	3,274	4,668	3,000	3,000	2,000	(1,000)
Use Of Money and Prop	688,908	730,660	1,067,055	1,155,805	757,500	1,024,200	266,700
State, Fed or Gov't Aid	16,545,488	17,579,128	15,487,219	13,580,000	31,066,026	29,389,348	(1,676,678)
Current Services	-	4,735	-	-	-	-	-
Other Revenue	5,012,217	5,085,564	6,181,154	3,644,951	3,894,789	2,991,983	(902,806)
Other Financing Sources	-	4,369	-	-	-	-	-
Total Revenue	22,338,903	23,440,212	22,825,734	18,436,756	35,761,315	33,447,531	(2,313,784)
Fund Balance					13,700,436	14,966,477	1,266,041
Budgeted Staffing					49.5	38.0	(11.5)

Salaries and benefits of \$3,393,694 fund 38.0 budgeted positions. There is a reduction of \$839,967 primarily due to the elimination of 11.5 positions that have become vacant over the past year. These positions include: 1.0 Office Assistant II, 2.0 Fiscal Assistants, 2.0 ECD Specialist I, 2.0 ECD Technician, 1.0 Secretary I, 0.5 Public Service Employee, 3.0 ECD Analyst II. The reduction of funding from federal grants requires that the department delete vacant positions that have not been filled. The workload from these positions was reduced or reassigned to other staff members.



Services and supplies of \$1,238,186 represents charges related to equipment needs, communication expense, general office expense, costs for publications, and special department expenses. The overall decrease of \$4,076,753 is primarily the result of an accounting change in the Inland Valley Development Agency (IVDA) fund of \$3.2 million plus a reduction of \$500,000 in the IVDA fund balance. The department moved the amount budgeted in the prior year for professional services into the grant and direct projects category to allow for housing development projects. In addition, CDH anticipates a reduction of \$376,753 in miscellaneous expenditures.

Grants and direct projects of \$27,032,594 represent the bulk of CDH's expenses. These expenses generally consist of contracts with other government, nonprofit, or private businesses to provide community development and housing assistance for low and moderate income citizens of the County of San Bernardino. The increase of \$4,972,994 was primarily caused by the accounting change in the IVDA Fund of \$3.2 million and the additional one-time IVDA funding of \$1.7 million.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$29,000 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Other charges of \$20,000 represents the interest charges expected with the lease purchase of office furniture. This is the first year of a seven year lease purchase.

Equipment of \$52,000 represents the principal payments expected with the lease purchase of office furniture. This is the first year of a seven year lease purchase.

Transfers of \$10,680,605 primarily represent interdepartmental transfers from CDH's grant funds to its administrative fund. It, also, represents transfers to other departments for services provided on behalf of CDH. The decrease in transfers of \$1,329,635 is primarily related to the reduction of staff charges due to the completion of CDBG public service projects in 2007-08 and the reduction in budgeted staff.

Contingencies of \$8,394,120 represent the amount of grant funding that we anticipate will not be obligated this fiscal year. The increase of \$407,421 was the result of the grant fund balance changes from last year.

Reimbursements of \$2,908,700 represent interdepartmental reimbursements to the CDH administrative fund for staff charges. The decrease of \$1,056,001 primarily represents the reduction of staff reimbursements from the HOME projects (\$310,000) and the NI program (\$700,000). The majority of the NI staff was either reassigned to other programs or vacancies were eliminated as the program is anticipated to be completed in 2008-09.

Operating transfers out of \$432,092 decreased by \$1,332,287 due primarily to the planned reduction of CDBG construction projects completed by the Architecture and Engineering Department.

Departmental revenue of \$33,447,531 generally represents grants received from HUD, which include CDBG, HOME grant funds, and ESG. In 2008-09, CDH anticipates receiving \$12,292,000 from HUD as well as \$3,000,000 from the State Department of Housing and Community Development for the Cedar Glen Water/Road Improvement Grant. The remaining \$18,155,531 in revenue primarily represents funding for previously approved federal grant projects that have not been completed. CDH has seen a decrease of \$2,313,784 that includes a planned reduction in HOME loan payoffs and a reduction in grant funding balances due to completion of some grant projects and the sun-setting of other grants. This reduction includes a \$902,806 decrease in planned program income and a \$1,676,678 decrease in grant funding along with a slight increase in interest revenue.

The fund balance increase in 2008-09 of \$1,266,041 is due to the receipt of a one-time funding of \$1,700,000 from IVDA development zone.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Estimated	2008-09 Projected
Percentage of Emergency Shelter Grant (ESG) "Cold Weather Shelter Program" contracts with non-profit homeless service providers executed within 30 days of completion of RFP and projected start date of each project (14 ESG contracts entered into 2006-07).	100%	90%	100%	100%
Percentage of Community Development Block Grant (CDBG) project Environmental Review Records (ERR) approved by HUD within ninety (90) days of project approval (100 ERRS approved in 2006-07).	88%	80%	80%	80%
Percentage of Project Implementation/Maintenance and Operation agreements entered within thirty (30) days of ERR completion (107 Project Implementation/ Maintenance and Operation Agreements entered in 2006-2007).	87%	80%	80%	80%
Percentage of Public Service contracts executed within thirty (30) days of the projected start date of each program (116 CDBG Public Services contracts executed in 2006-07).	91%	80%	80%	80%
Percentage of non-profit agencies, cities, and individual homeowners who receive the information they need in order to apply for CDBG, ESG, and HOME funds.	100%	100%	100%	100%
Number of housing units constructed or rehabilitated.	22	20	11	20
Number of low-income families or disabled persons who receive rental housing security deposit and utility payment assistance.	186	200	200	200
Number of low - and moderate-income homeowners who receive loans or grants.	283	250	230	215
Number of families who succeed in buying their new home.	29	20	20	25
Number of emergency shelter nights provided to homeless persons.	25,509	24,000	24,000	24,500
Number of housing projects planned for construction with Prop 63 funds.	N/A	2	0	2
Number of home owners who will receive financial assistance to rebuild their homes that were lost in the 2003 "Old Fire" disaster.	11	10	1	5
Percentage of on-time completion within the designated time frame: CDH completion of initial review of eligible land use services grant applications within thirty (30) days of receipt and completion of reimbursements within thirty (30) days of receipt of claims and approved back up information.	100%	100%	100%	100%
Percentage of on-time completion within the designated time frame: CDH completion of initial review of eligible HRP applications within thirty (30) days of receipt. Rehabilitation activities completed within 12 months of application approval.	95%	100%	100%	100%

WORKFORCE DEVELOPMENT

Sandra Harmsen

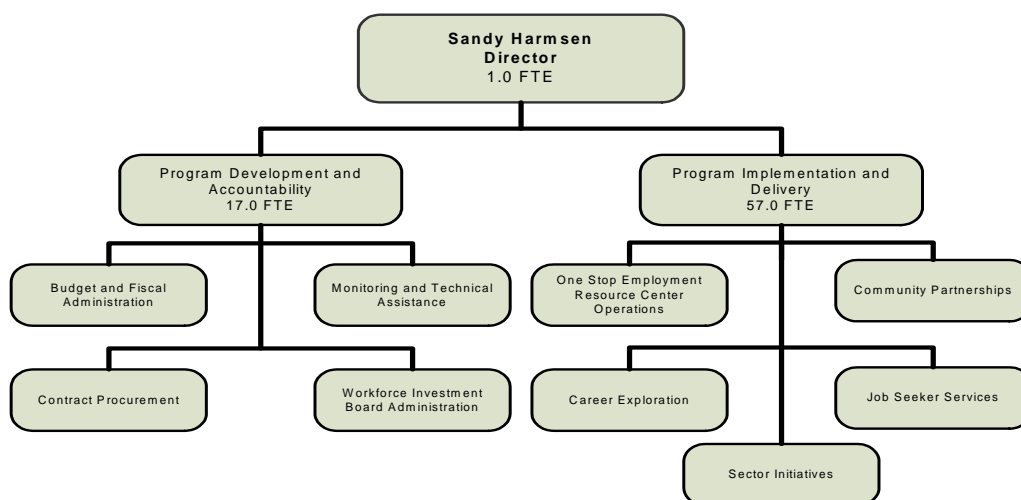
MISSION STATEMENT

To serve residents and businesses in the County of San Bernardino by developing a skilled workforce that meets the emerging demands of the business community.

STRATEGIC GOALS

1. Meet or exceed all Workforce Investment Act enrollment and performance standards negotiated with the state for customers in Adult, Dislocated Worker and Youth services.
2. Continue media relations efforts and develop new marketing materials in conjunction with the Agency.
3. Align workforce development, economic development, education and funding strategies to enhance the competitiveness of San Bernardino County's workforce to support positive economic growth.

ORGANIZATIONAL CHART

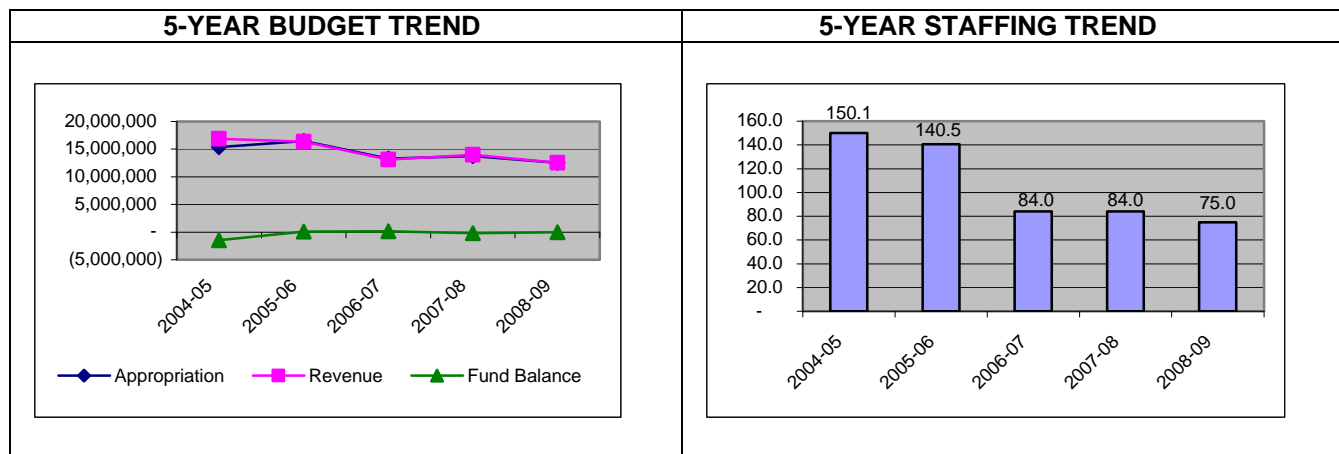


DESCRIPTION OF MAJOR SERVICES

The Department of Workforce Development (WDD) provides holistic services to job seekers, incumbent workers, entrepreneurs and employers. WDD is responsible for administering and operating programs under the Department of Labor's (DOL) Workforce Investment Act (WIA). Funding for WIA programs is allocated at the federal level and comes to the county from the State Employment Development Department/Workforce Services Division. Through this funding stream, services are delivered to job seekers and businesses throughout the county via the department's Employment Resource Centers. These offices are strategically placed in three of the county's economic regions.

The Workforce Investment Board administratively oversees the programs offered through the department. This Board is composed of private business representatives and public sector partners who have been appointed by the County Board of Supervisors. The department supports the mission of the county through its provision of services to businesses and job seekers. Understanding that increased employment opportunities enhance the quality of life for residents, the department strives to ensure that the needs of local businesses are met by providing them with a skilled workforce.

BUDGET HISTORY



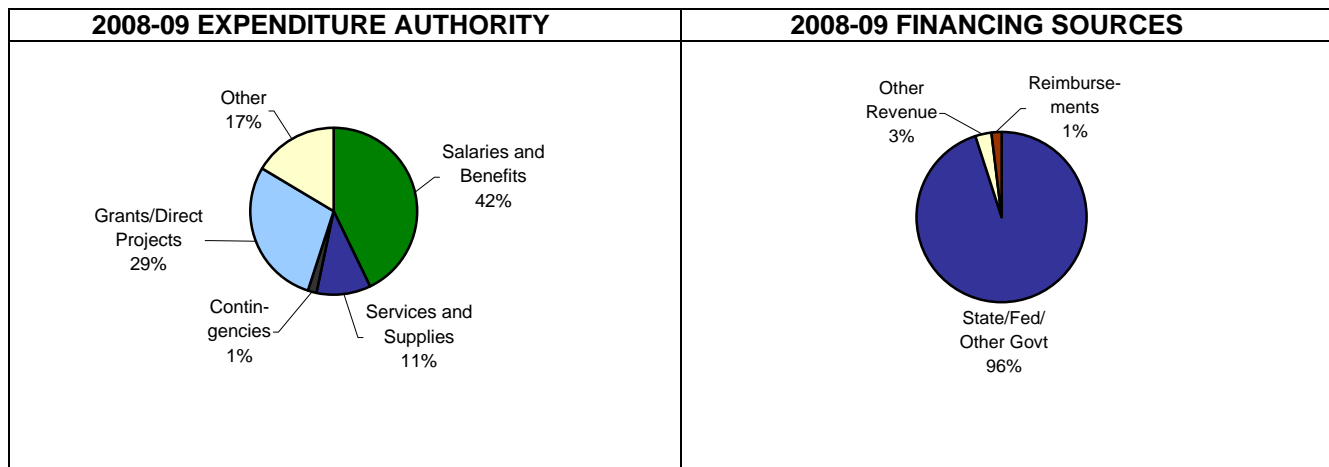
PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	12,860,640	12,586,217	11,873,041	13,774,477	11,359,078
Departmental Revenue	13,484,794	12,611,371	11,499,821	13,984,208	11,568,809
Fund Balance				(209,731)	
Budgeted Staffing				84.0	

The trend for the WDD budget is a steady decrease in funding since 2004-05. Due to the allocation methodology utilized by the federal DOL, WIA formula funds such as Adult, Dislocated Worker, and Youth grants have experienced declining allocations to the State of California. Additionally, DOL rescinded formula funds allocated to California for 2007-08 by an average of 13.4%. WDD is mitigating the impact by contracting with other county departments to assess and train their customers in job skills and employability enhancements. WDD is actively seeking competitive grant funding as well, both alone and in collaboration with other entities.

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in this fund are typically less than budget. The amount not expended is carried over to the subsequent year's budget.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Workforce Development
FUND: Workforce Development

BUDGET UNIT: SAC JOB
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Salaries and Benefits	7,515,569	6,383,851	5,016,039	4,677,395	5,863,088	5,462,587	(400,501)
Services and Supplies	1,285,974	1,057,202	1,355,473	1,143,513	1,161,943	1,220,911	58,968
Central Computer	104,199	94,502	93,979	70,931	88,405	83,615	(4,790)
Travel	-	-	-	-	-	66,118	66,118
Grants/Direct Projects	4,105,869	4,096,217	3,357,642	3,667,517	4,450,301	3,658,894	(791,407)
Equipment	50,000	-	51,997	866	13,000	9,800	(3,200)
Transfers	1,680,788	1,588,459	2,193,444	1,952,660	2,343,047	2,102,987	(240,060)
Contingencies	-	-	-	-	-	183,398	183,398
Total Exp Authority	14,742,399	13,220,231	12,068,574	11,512,882	13,919,784	12,788,310	(1,131,474)
Reimbursements	(1,881,759)	(634,014)	(195,533)	(153,804)	(145,307)	(259,050)	(113,743)
Total Appropriation	12,860,640	12,586,217	11,873,041	11,359,078	13,774,477	12,529,260	(1,245,217)
Departmental Revenue							
Use Of Money and Prop	188,971	218,399	210,694	230,479	262,464	324,361	61,897
State, Fed or Gov't Aid	13,293,760	12,389,553	11,276,100	11,264,846	13,721,744	12,153,088	(1,568,656)
Current Services	-	2,305	-	-	-	-	-
Other Revenue	2,063	1,114	13,027	73,484	-	51,811	51,811
Total Revenue	13,484,794	12,611,371	11,499,821	11,568,809	13,984,208	12,529,260	(1,454,948)
Fund Balance					(209,731)	-	209,731
Budgeted Staffing					84.0	75.0	(9.0)

Salaries and benefits of \$5,462,587 fund 75.0 budgeted positions and are decreasing by \$400,501. The department's staffing level decreased by 9.0 budgeted positions. In 2007-08, several vacant positions were authorized and budgeted in anticipation of level funding; however, allocated federal funding was rescinded and the department left positions unfilled to meet the shortfall. Therefore, the reduction of 9.0 budgeted positions is related to the 2007-08 state budget cut. The following budgeted staff were deleted: 3.0 Employment Services Specialists (ESS), 2.0 Supervising ESS, 1.0 Fiscal Assistant, 2.0 Office Assistant II, and 1.0 Staff Analyst II. Workload reassignments resulted in the following reclassifications: Regional Manager (pay range 65) was reclassified to Deputy Director (pay range 74) due to an increase in the number of special program projects the department implemented to increase its revenue sources and reduce dependence on WIA funding, as well as oversight of state-mandated program integration; three Supervising ESS (pay range 48) were reclassified to Workforce Development Supervisors (pay range 54) due to new responsibilities resulting from the implementation of state-mandated program integration. In addition, the department will bring forward a contract adjustment for the PIC Aide (pay range 41) to revise it to a WIB Assistant (pay range 45) to reflect current role and responsibilities. The department also experienced a decrease in worker's compensation costs.



Services and supplies of \$1,220,911 represent general office supplies, computer software and hardware, equipment, professional services, utilities and outreach events. The increase of \$58,968 was primarily the result of increases in furniture purchases related to the move of the San Bernardino Employment Resource Center partially offset by reductions in charges for county COWCAP and moving travel costs into a new appropriation unit.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$66,118 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Grants/Direct Projects of \$3,658,894 represent payments to vocational and educational schools for training WIA participants, supportive services for WIA participants, customized training, and reimbursement of training costs incurred by employers at the Southern California Logistics Airport under a special grant. The decrease to Grants/Direct Projects of \$791,407 is a result of decreased WIA allocations and the shifting of funding into other appropriation units to provide customers with more universal services under a state-mandated integrated program being implemented in 2008-09.

Transfers of \$2,102,987 represent payments to other departments and include \$221,875 for Economic Development Agency (EDA) administration, \$62,738 for EDA marketing, \$211,787 for EDA Information Technology, \$539,112 for business services provided by the Department of Economic Development (ED), \$42,851 for Office Depot purchases, \$14,930 EHAP, and \$1,009,694 for rent. The decrease in transfers of \$240,060 was primarily the result of a decrease for business services provided to the department by ED.

Reimbursements of \$259,050 represents rent received from ED and reimbursements for staffing assistance provided to EDA, the Redevelopment Agency, and Probation for the new Juvenile Justice Gateway Program approved by the Board on December 11, 2007.

Contingencies of \$183,398 represent 10% of the contracts anticipated to be issued as a result of a Request for Proposals that was released on February 12, 2008. The contingency funds will be utilized in 2009-10 to provide follow-up services for the youth served through these contracts.

Departmental revenue of \$12,529,260 represent funding from interest revenue and rent, various state/federal grants, and other revenue. Use of money and prop revenue of \$324,361 consists of \$15,732 in interest revenue and \$308,629 in rent from the California Employment Development Department for space it occupies in the department's Employment Resource Centers. The rent revenue has increased as a result of the anticipated move of the San Bernardino Employment Resource Center to a more suitable facility.

State and federal aid of \$12,153,088 includes 2008-09 allocations under WIA of \$3,446,271 for Title I Youth, \$3,379,077 for Title I Adult, \$2,881,058 for Title I Dislocated Worker, \$306,828 for Rapid Response, and \$203,175 for special projects. In addition, the following two grants are also included in this category: 1) \$59,960 from the California Employment Training Panel and 2) \$18,524 from the U.S. Department of Labor which is the estimated carryover for the earmark grant received by the department in 2006-07. Furthermore, the department anticipates carrying over \$1,858,195 in grant funds allocated and budgeted in 2007-08.

Other revenue of \$51,811 represents a \$40,000 revenue agreement from the California Space Authority and an \$11,811 revenue agreement from the California State University San Bernardino Foundation. These agreements were previously budgeted under state and federal aid.

The net decrease to revenue of \$1,454,948 is associated with a WIA allocation rescission of 13.4% in 2007-08 and the ending of special grants funded for 2007-08.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Estimated	2008-09 Projected
Percentage of enrolled adults exiting the program who have entered employment.	75%	74%	74%	74%
Percentage of enrolled adults exiting the program who have retained employment.	82%	82%	82%	82%
Percentage of enrolled dislocated workers exiting the program who have entered employment.	76%	82%	82%	82%
Percentage of enrolled dislocated workers exiting the program who have retained employment.	83%	88%	88%	88%
Percentage of enrolled older youth exiting the program who have entered employment.	84%	79%	79%	79%
Percentage of enrolled older youth exiting the program who have retained employment.	84%	82%	82%	82%
Percentage of enrolled younger youth exiting the program who have attained skill related training certificates.	93%	88%	88%	88%
Percentage of enrolled younger youth exiting the program who have attained a high school diploma or GED.	46%	67%	67%	67%
Percentage of enrolled younger youth exiting the program who remain in school or retain employment.	70%	76%	76%	76%
Number of media-published programs, projects and/or events.	N/A	N/A	28	30
Number of customers who received department literature.	33,010	25,000	28,000	30,000
Maintain number of regular meetings of stakeholders for the purpose of aligning strategies, policies, networks, funding sources and training services to meet the workforce demands of local	2	4	4	4
Number of new funding sources available for demand driven training services to include sources other than Department of Labor funding.	2	2	2	2
Maintain the number of industry specific/demand driven training programs.	3	4	4	4
Number of new collaborative projects with public and private organizations to pull business and education together on workforce issues.	N/A	N/A	N/A	2

The business plan reflected preliminary information for 2006-07 and is different from the data above since the state released the performance outcomes until March 2008.